United Nations A/55/381

General Assembly

Distr.: General
13 September 2000

Original: English

Fifty-fifth session
Agenda item 100
Globalization and interdependence

The role of the United Nations in promoting development in the context of globalization and interdependence

Report of the Secretary-General*

Summary

The recognition of the pivotal role of information and communication technologies (ICT) in the emerging global knowledge-based economy is reflected in a series of documents, events and activities undertaken in the United Nations during 2000 geared towards effectively harnessing the potential of ICT for advancing development. These undertakings highlighted the unique potential of the United Nations system for bringing ICT to the service of development for all, set out the Organization's priorities in this regard, and launched a process of a more active and effective involvement of the United Nations, in particular in providing leadership at the international level, complementing the market and thus facilitating the flow of technology, especially ICT, and resources to where they are most needed.

The present report consists of three sections. Section I is an introduction. Section II focuses first on the need for the transfer of ICT in the age of globalization, as well as on some issues related to such transfer to developing countries. It then reviews efforts undertaken by the United Nations system in enhancing national capacity in the area of ICT. Finally, it presents a number of action-oriented recommendations on further promoting the role of the United Nations in the transfer of ICT to developing countries. Emphasis is also placed on recommendations aimed at enhancing ICT components in regional and national capacity-building programmes of the United Nations system. Section III, prepared by the United Nations Conference on Trade and Development (UNCTAD), deals with promoting policy coherence, complementarity and coordination.

* The footnote requested by the General Assembly in resolution 54/248 was not included in the submission.

00-64145 (E) 161000

Contents

		Paragraphs	Page
I.	Introduction	1–6	3
II.	The importance and the current state of information and communication technologies (ICT) transfer	7–47	4
	A. Activities of the United Nations system in enhancing national capacity in the area of ICT	20–44	6
	B. Recommendations on promoting further the role of the United Nations system in the area of ICT, including transfer of ICT	45–47	11
III.	Promoting policy coherence, complementarity and cooperation	48–65	13

I. Introduction

1. The broad theme of globalization and its challenges was addressed comprehensively by the General Assembly at its earlier sessions. During its fifty-third session, the Assembly held the first high-level dialogue on the theme of the social and economic impact of globlization and interdependence and their policy implications (see A/53/529). Political and economic developments since that first dialogue led to the Assembly's decision contained in resolution 53/169 to place the important issue of globalization in its agenda, and to address specifically the role of the Organization in promoting development in the context of globalization and interdependence, as well as the issue of promoting coherence, complementarity and coordination on economic and development issues at the global level in order to optimize the benefits and limit the negative consequences of globalization and interdependence. These two important components of the broad issue of globalization were examined in the report of the Secretary-General (A/54/358) and are again examined in the current report with the former component being discussed with a focus on information and communication technologies (ICT) and the latter component being addressed from a historical perspective.

2. At its fifty-fourth session, the General Assembly reiterated its serious concern related to globalization and its impact, in particular over the generally widening technological gap between the developed and developing countries, particularly in the area of information and communication technology which is shaping the contours of globalization (resolution 54/231).

3. The present report has been prepared in response to General Assembly resolution 54/231 entitled "Role of the United Nations in promoting development in the context of globalization and interdependence" in which the Assembly requested the Secretary-General to prepare a comprehensive report containing action-oriented recommendations on promoting further the role of the United Nations system in the transfer of ICT to developing countries and also on their role in promoting policy coherence, complementarity and coordination on economic, financial, trade, technology and development issues at the global level in order to optimize the benefits of globalization. The report was prepared with a contribution from the United Nations Conference on Trade and Development (UNCTAD), in particular as regards the section on coherence, complementarity and coordination, and in consultation with other relevant organizations of the United Nations system, in particular the regional commissions, the United Nations Office for Drug Control and Crime Prevention (UNODCCP), the United Nations Centre for Human Settlements (Habitat), the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP), UNCTAD, the International Telecommunication Union (ITU), the World Health Organization (WHO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Labour Organization (ILO), the International Civil Aviation Organization (ICAO), the International Maritime Organization (IMO), the World Intellectual Property Organization (WIPO), the Food and Agriculture Organization of the United Nations (FAO), the World Bank and the Universal Postal Union (UPU).

4. In the same resolution, the Secretary-General was requested to convene a meeting of a high-level panel of experts on ICT and to prepare a report containing recommendations on the role of the United Nations in enhancing the integration of developing countries in the emerging global information network, facilitating access for developing countries to ICT, including on preferential and concessional terms, where appropriate, and promoting the participation of developing countries, including through infrastructure facilities, in knowledge-intensive sectors of the global economy. Such a meeting was convened from 17 to 20 April 2000 at Headquarters and the report thereof was subsequently issued in document A/55/75-E/2000/55.

5. The recognition of the pivotal role of ICT in the emerging global knowledge-based economy is reflected in a series of documents, events and activities undertaken in the United Nations during 2000 geared to effectively harnessing the potential of ICT for advancing development. The role of ICT in development was prominently discussed in the Secretary-General's report "We the peoples: the role of the United Nations in the twenty-first century" (A/54/2000), submitted to the Millennium Assembly of the United Nations. A series of panel discussions and key-note addresses were organized in the lead-up to the substantive session of 2000 of the Economic and Social Council. The 2000 high-level segment of the Council addressed the theme of "Development and international

cooperation in the twenty-first century: the role of information technology in the context of a knowledge-based global economy", following which the Council adopted a ministerial declaration (E/2000/L.9)[1] and a follow-up resolution on the establishment of an ICT task force (Council resolution 2000/29). It is noteworthy that the Council's high-level segment attracted the participation of a significant number of chief executive officers (CEOs), heads of multilateral organizations, representatives of non-governmental organizations and academic experts. These undertakings highlighted the unique potential of the United Nations system for bringing ICT to the service of development for all, served to sharpen the Organization's priorities in this regard, and launched a process of a more active and effective involvement of the United Nations by initiating, inter alia, an ICT task force.

6. This report builds upon the analysis and recommendations contained in the Secretary-General's report to the high-level segment of the Economic and Social Council (E/2000/52) which explored in depth the developmental impact of ICT in the context of globalization and interdependence. The present report consists of the present introduction and two subsequent sections. Section II focuses first on the need for the transfer of ICT in the age of globalization, as well as on some issues related to such transfer to developing countries. It then reviews efforts undertaken by the United Nations system in enhancing national capacity in the area of ICT. Finally, it presents a number of action-oriented recommendations on further promoting the role of the United Nations in the transfer of ICT to developing countries. Emphasis is also placed on recommendations aimed at enhancing ICT components in regional and national capacity-building programmes of the United Nations system. Section III, prepared by UNCTAD, deals with promoting policy coherence, complementarity and coordination.

II. The importance and the current state of information and communication technologies (ICT) transfer

7. The current phase of globalization is characterized by the fact that knowledge has become a source of competitive advantage and is increasingly embedded within the production process itself. The new economy thrives on knowledge and continuous innovation, thus enhancing the value and role of information within the economic enterprise. ICT that enable the information and knowledge flows of the new economy increasingly represent the indispensable infrastructure for a whole range of economic activities. Success in the emerging global networked economy is increasingly predicated on adequate access to and effective use of ICT. Access to ICT, because of their decisive role in the new economy, is critical for developing countries.

8. For developing countries, the emergence of a global knowledge-based economy should in principle be good news: as the power/price ratio of information equipment continues to rise, and as the unit cost of transferring information across borders keeps diminishing, opportunities to "catch up" are unprecedented. The portability, flexibility and affordability of such new technologies make it possible for small and medium-sized enterprises (SMEs) in developing countries to become worldwide operators. However, these bright perspectives are often clouded by the persistence of long-standing handicaps, such as lack of infrastructure or inadequate education, and the emergence of new challenges, leading to concerns that the positive effects of the new economy are confined to the advanced side of the digital divide. Currently, the emerging new economy affects everybody, but it does not include everybody.

9. The urgency of overcoming this exclusion has been underscored by recent resolutions and declarations of the international community such as the Declaration of the South Summit (A/55/74, annex I) and the Havana Programme of Action (A/55/74, annex II) adopted at the South Summit held in Havana in April 2000, the ministerial declaration and resolutions adopted by the Economic and Social Council at its substantive session of 2000 in July 2000 and the Okinawa Charter on the Global Information Society[2] adopted at the Group of Eight (G-8) summit in late July 2000. These declarations and resolutions call for urgent action to bridge the "digital divide" and propose some form of institutional mechanisms to enable concerted and coordinated action.

10. Particularly noteworthy in this regard were the conclusions of the meeting of the high-level panel of experts on ICT convened by the Secretary-General from 17 to 20 April 2000 in New York which reviewed

the current status of ICT use for development. It identified areas and proposed actions to be taken by the international community, in particular the United Nations, to support national ICT programmes. The panel of experts concluded that the global challenge of bridging the digital divide, and ensuring that the benefits of ICT were fully used for the benefit of development, required a global response. It highlighted the instrumental role to be assumed by the United Nations in assisting developing countries in evaluating challenges and options in this area. It called for the development and launching of an international ICT action plan with the overall target of bringing connectivity to all communities by the end of 2004, and suggested policy actions as well as development initiatives to achieve this target. The panel recommended the creation of an ICT task force which, under the leadership of the Secretary-General, would bring together multilateral development institutions, private industry, foundations and trusts.

11. A recurrent theme in most of these gatherings was the acknowledgement that action to bridge the digital divide must be taken on many fronts and include human and institutional capacity-building efforts, and transfer of technology, as well as the development of a conducive policy environment. The benefits of the new global knowledge-based economy will not accrue to countries with inadequate national information and communications infrastructure that must, moreover, be connected to, and interoperable with, global information infrastructures. However, connectivity is a necessary, but not sufficient condition for optimization by developing countries of the benefits of the new economy. Individual and institutional capabilities are also critical and need to be a component of any technology transfer strategy from developed to developing countries.

12. ICT-related issues can no longer be posed in traditional transfer-of-technology terms, but rather need to be seen in terms of access to, and use of, ICT. This point was stressed by the African Development Forum '99 entitled "The challenge to Africa of globalization and the information age" which took a broad view of ICT and their role in African development. In its approach, also reflected in other regional events, the Forum recognized that the technologies were less important than the information to which they provided access and the communications that they supported. The ministerial declaration adopted by the Economic and Social Council in July 2000 concluded that unless access to and use of ICT are broadened, the majority of people, particularly in developing countries, will not enjoy the benefits of the new knowledge-based economy. The major impediments to the participation of that majority include lack of infrastructure, education, capacity-building, investment and connectivity.

13. Still, with ICT, possibilities and conditions exist that allow for leapfrogging of stages of technology in favour of the most up-to-date and advanced solutions. Many recent technological innovations, such as Very Small Aperture Terminal (VSAT) and Low Earth Orbiting (LEO) satellite systems, can make telecommunication services more reliable and cheaper to provide in most developing countries. For many of these countries, however, especially the least developed countries, the completion of the requisite basic infrastructure development is a considerable and daunting task involving huge investments. This is clearly beyond the capacity of many developing countries and countries with economies in transition. Innovative approaches to funding, including by the international community, the private sector and civil society, are necessary to ensure that ICT that are critical to the beneficial integration of developing countries and countries with economies in transition into the new networked global economy are transferred to them.

14. Thus, while technology and resources are potentially available for addressing existing problems of access and connectivity, they often do not reach the areas of greatest need. Lack of basic human and physical infrastructure, and limited prospects of returns on private capital are among the obstacles that need to be tackled to ensure broad-based access to and use of ICT.

15. A significant pool of private financial resources for funding ICT for development programmes is potentially available based on motives that go beyond short-term profit consideration. Long-term expansion of markets, philanthropy, desire of successful expatriates to "give back" to their countries of origin, and the realization that a growing digital divide is potentially disruptive of the long-term interests of all concerned, including the profit interest of private business, are among the motives that drive the growing attention to expanding ICT services for development, creating a considerable window of opportunity for

cooperation between the private sector and the United Nation system in pursuing universal access to ICT.

16. Since ICT is in general cheaper and can be introduced more quickly than is the case for development interventions in many other sectors, it seems justified that entities of the United Nations system have focused mainly on factors of access and use of ICT that restrict the growth of this sector, and less on the transfer of technologies in a traditional sense. The United Nations system offers technical assistance to developing countries and promotes the mobilization of material, human and financial resources needed to implement the goals of extending the benefits of the new ICT to all the world's inhabitants.

17. The United Nations system is cognizant of the fact that, in relation to development, the twin challenge is to fully exploit ICT, both as instruments of integrating developing countries and transition economies into the global knowledge-based economy, and as a means of enhancing competitiveness and growth in key sectors of national economies and thus advancing the goals of poverty eradication and sustainable human development. This cognizance is evidenced in the range of ICT-related issues that are being pursued by different parts of the system such as connectivity, access and content, intellectual property rights, e-commerce, telemedicine and health networks, distance education, privacy and security, cultural and heritage issues and others.

18. There is, however, a widespread perception that a plethora of uncoordinated mechanisms and channels involved in aid facilitation relating to ICT has so far produced limited results and their operations are seen as complex, cumbersome and slow. As a result, private finance is often discouraged in its search for modalities for its participation and, even more important, in obtaining information and guidance as to the priorities, needs, potential partners and facilitators, and opportunities for collaboration with other development actors.

19. The missing link is coordinated leadership at the international level to complement the markets and therefore facilitate the flow of technology, especially ICT, and resources to where they are most needed. The United Nations is uniquely placed to assume this role because of its universality and its global scope and focus. The decision by the Economic and Social Council to establish an ICT task force, under the leadership of the Secretary-General and with the participation of all relevant stakeholders, is expected to bring coherence and greater effectiveness to these efforts. The task force is a first step in ensuring that the United Nations will play a pivotal role by providing leadership, comprehensive vision and a viable and coherent strategy to bridge the digital divide and ensure universal access to ICT for development. It is expected to bring global visibility to this issue and focus all the partners on creating an environment conducive to technology-related private sector investments and long-term sustainable human development objectives.

A. Activities of the United Nations system in enhancing national capacity in the area of ICT

20. The spread of ICT is affecting many sectors of economic activities. While the impact of ICT on the globalization of financial markets has been amply demonstrated, such technologies are also increasingly shaping the operation of other sectors, and the role of Governments, including in cooperation with other stakeholders. Telecommunications and information infrastructure impacts on issues of trade, economic development and societal well-being, as well as law enforcement and national security. Technical guidelines, regulations and safety standards seek to ensure compatibility and reliability of signals and communications, and thus international cooperation. Global communications and the spread of ICT have, however, also facilitated transnational crime and cyber-crime.

21. The United Nations system is committed to pursuing cooperatively and in a more systematic manner the development of strategic approaches to the global information economy and society. This commitment, and strategic action for its achievement, were put forward in the Administrative Committee on Coordination (ACC) statement on universal access to basic communication and information services (A/52/354, annex) and further developed in the ACC statement to the Economic and Social Council at its 2000 high-level segment on ICT and development (E/2000/52, annex). The application of ICT for development by different entities of the United Nations system differs according to the respective mandates of the organizations, but there are also strong

commonalities and growing efforts at ensuring consistency in approach and implementation. Increasingly, ICT components are incorporated in supporting national capacity-building at the country level, and specific ICT projects are being implemented at the national and regional levels.[3]

22. The Department of Economic and Social Affairs of the United Nations Secretariat serves an important role in linking global policies and national action to encourage and support the use and application of ICT. The Department's own use of ICT in all aspects of its work ensures that global policy-making processes have at their disposal timely and accurate research and analysis, and facilitates at the same time the implementation of and follow-up to global conference agreements, and related monitoring and evaluation processes. ICT is also crucial to the Department's outreach to programme constituencies. Many developing countries, for example, were introduced to computing through their association with United Nations statistics and data-collection work. The United Nations Statistics Division of the Department of Economic and Social Affairs has distributed data electronically since 1988, and the recently developed United Nations Economic and Social Information System (UNESIS) Common Database brings together in a single format on one site principal statistics compiled throughout the United Nations system. At present, the Department of Economic and Social Affairs manages 27 web sites, 2 of which are accessible in all six official United Nations languages, to support major programmes, conferences and meetings for which the Department is responsible. Among them, WomenWatch (launched in 1996 by the Department of Economic and Social Affairs/Division for the Advancement of Women, the United Nations Development Fund for Women (UNIFEM) and the International Research and Training Institute for the Advancement of Women (INSTRAW)) has received worldwide recognition, and the Population Information Network (POPIN) (launched in 1979 by the Department of Economic and Social Affairs/Population Division) has received several international awards for excellence. The Economic and Social Council web site contains links to major recent activities and initiatives of the United Nations in the area of ICT for development. Capacity-building in ICT has become a major and dynamic component of the Department of Economic and Social Affairs technical cooperation programme, including through financing under the Development Account.

23. ICT, and their application and use in areas as diverse as drug control and crime prevention, shipping and aviation, trade, health, education, the environment, intellectual property rights, and work provide a set of new challenges beyond the actual transfer and availability of the technology. It is thus critical that the whole cycle, from legal considerations, the provision of technical assistance during implementation, and initial training to ongoing maintenance and support, be regarded as a whole by the entities of the United Nations system in their work with Governments to strengthen ICT capacity.

24. Coordinated action involving Governments, the private sector and the social partners will be required at the firm, industry and national levels if countries are to avail themselves of the opportunities that new technologies offer to stimulate growth, create jobs and improve quality of life. As the private sector is the main engine for information technology development and Internet connectivity, it is essential that the United Nations system, together with Governments and bilateral donors, work with the private sector in the development of ICT capacity in developing countries and countries with economies in transition. A number of activities embodying this approach is already being implemented.

25. The Valletta Action Plan of ITU represents an example of a framework in which ITU works with its member States, industry partners and other international organizations in key areas to foster an enabling environment conducive to harnessing fully ICT for development. The Action Plan, which was adopted by the ITU World Telecommunication Development Conference in 1998, represents a strategic approach to bridging the digital divide by addressing key elements such as sector reform, access to new technologies, gender issues, rural development and universal service/access, finance and economics, partnerships with the private sector and human resource development, and includes a special programme targeting the needs of least developed countries. ITU's mandate includes the promotion of international cooperation and partnerships between its government members and the growing number of private sector members that have joined ITU, especially telecommunications operators and a growing number of Internet start-up companies.

26. The Global Telecoms Initiative (GTI), created in February 2000 between UNEP, ITU and private organizations and businesses in the telecommunications industry, is part of an effort to develop voluntary initiatives and partnerships with the private sector in order to engage key players in the sustainable development movement, and to ensure a constructive debate about the relationship between environment, trade and development. Initiatives such as GTI encourage joint projects among developed and developing countries with the goals of ensuring the availability of public services, promoting the expansion of communications infrastructure, and expanding the use of ICT to support sustainable development. As the rapid advancement in ICTs is resulting in an increasingly networked global economy and in a fundamental transformation of the world of work, ILO's role is becoming crucial in terms of strengthening social dialogue and labour-market institutions to facilitate the adoption and diffusion of ICT as part of the development process.

27. In order to ensure that the new information society becomes an inclusive knowledge society, and in the follow-up to the World Education Forum, UNESCO is making ICT access to all central to its efforts. The Information for All programme provides a platform for international collaboration and partnerships on information access and on the ethical, legal and social impact of ICT. UNESCO advises its Member States on ICT applications in all levels of education, and promotes the use of ICT in informal education and in lifelong learning. In particular, UNESCO proposes to initiate, in collaboration with interested partners at the national and international levels, the linking of all relevant sources of educational experience and courseware into a world education portal so as to make educational material widely available in the public domain. This portal would be a reference web site recognized worldwide.

28. The World Bank has developed a series of programmes that address various aspects and needs of the knowledge economy and ICT for development. Among these programmes are *Info*Dev, a venture fund for ideas that bring together public and private donors to promote innovative applications of ICT for development; Global Distance Learning Network which aims to improve development potential by using distance learning to connect development decision makers to a global knowledge exchange; Global Development Gateway, an Internet portal to information, knowledge and dialogue about sustainable development and poverty reduction; African Virtual University; and a number of other important endeavours that seek to stimulate the development of ICT for development. These efforts are guided by the recognition that, while ICT is the means through which knowledge is shared and learning takes place, the spread of ICT is not expected to be sufficient to address many of the present development challenges without the simultaneous development of "learning communities", improvements in education, and other elements of societies.

29. UNDP has adopted a comprehensive strategy to guide its support and assistance to developing countries in seizing digital opportunities. In focusing on such key elements as promotion of awareness, advocacy and policy formulation; connectivity; institutional and human capacities; and content and cultural diversity, UNDP currently operates global, regional and numerous country-level programmes. Examples of its global programmes include the IT for Development Programme, the Sustainable Development Networking Programme (SNDP), and the Small Islands Developing States Information Network (SIDSNET). Among UNDP's regional programmes, the Asia-Pacific Development Information Programme (APDIP) has established connectivity for several countries and has focused on training of government and civil society representatives in the use and application of ICT for social and economic development, and the Internet Initiative for Africa has assisted 15 sub-Saharan African countries in developing or enhancing Internet connectivity and building capacities required for their operation.

30. The deployment of multi-purpose community telecentres, including community radios linked with Internet, is being pursued by ITU in collaboration with UNESCO and other international partners in an effort to broaden access to these technologies beyond urban areas to include isolated and remote areas, as well as the poorest strata of the population. UNDP has conducted needs-driven pilot projects involving the creation of multimedia community telecentres or multimedia access points with Internet links. The ITU Electronic Commerce for Developing Countries (EC-DC) initiative is an example of how partnership between an international organization and industry partners can be implemented for the benefit of the

world's poorest economies. Under this initiative, e-commerce projects are being launched in nearly 80 developing or least developed countries, and technical and financial assistance is being provided to an association of African women entrepreneurs. UNCTAD has also devoted considerable attention to electronic commerce over the last few years in an effort to ensure that developing countries and countries with economies in transition use information technologies to avoid further marginalization. Since successful e-commerce strategies require a combination of access, content, knowledge, legal environment and trust, UNCTAD has used the concept of "e-velopment" in its recent work on e-commerce, reflecting the need to maintain and use dynamic linkages and synergies between the so-called new economy of bits, information and knowledge, and the traditional economy of atoms, bricks and mortar, roads and bridges.

31. ICT in general are increasingly shaping the safety, speed and reliability of the movement of goods and persons by ship and air. Not only do modern ICT and equipment allow for standardization and harmonization of civil aviation and maritime and port operations worldwide, but ICT also contributes to the speed and efficiency of search and rescue operations. Such specialized use and application by developing countries are being facilitated by United Nations entities such as ICAO and IMO. The magnitude of required investments has encouraged successful international cooperation in the air navigation field.

32. Surveillance networks to map health hazards and diseases, using telematic health surveillance systems, offer cost-effective opportunities to invest in a public good that can benefit humanity. Member States are being encouraged by WHO to use health telematics as a means to address their information needs and health-care requirements, and pilot projects are being implemented to provide a sound foundation for the further development and expansion of health telematics applications in developing countries.

33. ICT also facilitate better information exchange and mutual learning, for example, through the collection and analysis of data in a global network of urban observatories, established by the United Nations Centre for Human Settlements (Habitat), that serves worldwide information and capacity-building to help implement the Habitat Agenda[4] and Agenda 21[5] at the national and local levels. FAO endeavours to adapt information content to make it directly relevant to its clients, and to ensure that this information is accessible to those who can make the best use of it, through the use of ICT. Its World Agricultural Information Centre (WAICENT), and its Global Information and Early Warning System for Food and Agriculture (GIEWS) are examples in this regard. The latter has recently been provided to several national and regional early warning agencies to support their work in detecting problem areas and impending food shortages and issuing timely alerts.

34. The need to ensure expedited access to technical databases, other information, practices and regulations, and uniform and effective compliance with conventions and instruments is also the motivation for United Nations entities to provide developing countries with computer equipment, software and training through technical cooperation programmes, with financial support from donor countries. Transfer of communication technology and training in its use feature prominently in technical cooperation programmes aimed at assisting countries in developing sustainable and effective management and monitoring tools in such important areas as drug control and crime prevention, and are being provided by UNODCCP. Satellite survey methodology offers new opportunities to Governments to add remote sensing components to their national mechanisms for monitoring illicit drug crops, and for increased cooperation to eliminate such cultivation. Illicit crop monitoring is expected to be further facilitated through technical assistance packages that include remote sensing components.

35. ICT is also changing the manner in which training is being conducted. For example, a 70-hour computerized training for drug law enforcement on compact disk read-only memory (CD-ROM), the first of its kind, has been successfully tested in the Asian region, and can be used worldwide, particularly in those countries and regions where large groups of persons need to be trained quickly.

36. Recognizing the strategic importance of information technologies to enhance and further improve the intellectual property system for the benefit of development, WIPO has launched major information technology (IT) projects and initiatives. They include the expected entry into force of two major "Internet treaties" before December 2001 and the adjustment of the international legislative framework to facilitate e-commerce. WIPONET, a global information network project, is expected to link the operations of

intellectual property offices around the world and to provide secure end-to-end transmission of confidential intellectual property data.

37. The regional commissions have stepped up their activities for creating and channelling approaches, policies and programmes to harness ICT for development. The invitation by the Economic and Social Council to convene meetings on information technology for development in the respective regions was an opportunity for the regions to synthesize ongoing work, and stimulated new recommendations for further action, inter alia, with regard to the role of the United Nations system.[6]

38. While challenges and opportunities identified in each region differ according to the particular circumstances, economic realities and prospects, there are also similarities and comparable issues that need to be addressed to take full advantage of the opportunities created by ICT. Enhanced economic growth, the development of new products, and higher productivity are all potential gains from ICT, and businesses, especially small and medium-sized enterprises (SMEs) located in developing countries have increased opportunities of becoming integrated into the global economy. New possibilities for education, health, e-governance and e-commerce are being created in all regions of the world. At the same time, full exploitation of ICT for development requires comprehensive and reliable telecommunications infrastructure everywhere, and legal and regulatory systems require adaptation to manage possible conflict emanating from ICT use, as well as control possible criminal use of new technologies. Education as a critical prerequisite of ICT use, and equitable access by individuals and especially communities have been identified as priority concerns in all regions. Incentives are needed to realize ICT innovation, in particular with regard to local content. While there is growing use of ICT in commerce and the economic sector, their potential needs to be expanded into the provision of better, broad-based social services.

39. The regional commissions are serving as launching pads and facilitators for the development of regional strategies, public policies and incentive structures in the use of ICT. The first African Development Forum '99 was devoted to the challenges to Africa of globalization in the information age, and reinvigorated the work of the African Information Society Initiative (AISI) that had been launched in 1996. The revised AISI agenda now provides a solid platform for United Nations action in the region on ICT and development, targeting the key sectors of education and youth, health and small business development along with the overall policy changes that are needed to underpin the transformation towards increased use of ICT.

40. Economic, social, cultural and linguistic factors permit the design of initiatives that capitalize on regional similarities and complementarities in ICT capacity-building within the Economic and Social Commission for Western Asia (ESCWA) member countries. Such initiatives could ensure higher levels of connectivity and harmony of standards as well as conserve resources. Consideration is being given to launching a broad-based regional initiative designated the "Arab Knowledge Society Initiative" (AKSI). Goals set for such an initiative would include promoting ICT and their applications in the region's economies and fostering their integration within the knowledge-based global economy.

41. The countries of the Latin American and Caribbean region share the aspiration of becoming full-fledged members of the information society by the year 2005 on an efficient, effective and sustainable basis within the framework of the global knowledge-based economy. In the Declaration of Florianopolis,[7] adopted at the Regional Meeting on Information Technology for Information Development, convened by the Government of Brazil in Florianopolis, Brazil, 20 and 21 June 2000, they set out a common vision and a public policy strategy for its achievement. The Declaration also identified a number of areas where the assistance of the United Nations system in national and regional efforts will be essential for its translation into practice.

42. National capabilities to transfer, develop and benefit from the application of ICT differ significantly among the countries of the Economic and Social Commission for Asia and the Pacific (ESCAP) region. Concerted national and complementary efforts through regional cooperation are thus required to promote widespread adoption of ICT in the countries of the region. There is a need to create a favourable policy framework conducive to the adoption and diffusion of ICT development. Technological capability, competent human resources and the creation of ICT infrastructure at national and regional levels are needed. While the vital role of Governments in this endeavour is

emphasized, other stakeholders, as well as regional cooperation, can contribute significantly and complement national efforts in the adoption and diffusion of ICT.

43. From the Economic Commission for Europe (ECE) perspective, specific policy and regulatory actions are called for, at both the national and the regional level to bridge the digital divide, to contain the possible negative effects of ICT, to help the less advanced countries to benefit fully from the ICT revolution, and to ensure that the potential of ICT best serves human development objectives. Lack of ICT equipment; the insufficient level of knowledge and skills needed to operate, use and benefit from ICT; and lack of an appropriate policy and regulatory framework to enhance and support ICT application while preventing negative effects are constraints on achieving ICT objectives in the region's less developed countries and countries in transition.

44. Different forums in the United Nations system, including at the regional level, contribute to the smooth functioning of the global information and telecommunications systems. Given the broad range of these activities, the development of an inventory of the work undertaken by different parts of the United Nations system and of other relevant forums could constitute a useful information reference, especially also with regard to the development of standards and regulatory regimes on different aspects of ICT.

B. Recommendations on promoting further the role of the United Nations system in the area of ICT, including transfer of ICT

45. The discussions and outcome of the Economic and Social Council's 2000 high-level segment emphasized the crucial and unique role to be played by the United Nations in providing an interface between the information technology community and the development community. There was a consensus among all stakeholders that ICT could provide a key instrument for accelerating global development and international cooperation, and that the contribution of the United Nations to development would be greatly reinforced if it proves able to adapt to, and use ICT effectively.

46. As a concrete follow-up to the ministerial declaration on ICT adopted at the high-level segment, the Economic and Social Council decided that an ICT task force and trust fund should be created, under the Secretary-General's leadership, to further digital opportunities in developing countries, help formulate strategies for ICT-for-development programmes, and forge a strategic partnership among the United Nations system, private industry foundations, donors and other relevant stakeholders. In accordance with the mandate given by the Council, the Secretary-General will conduct consultations with all stakeholders and report to the Council at its resumed substantive session of 2000.

47. In the preparations for the Economic and Social Council's 2000 high-level segment, new opportunities for the regional commissions and the entities of the United Nations system, including within the framework of ACC, emerged in the area of ICT. The ministerial declaration adopted by the Council emphasized the key role of the United Nations system in promoting synergies and coherence of all efforts directed towards expanding the development impact of ICT. The United Nations system also has a role in assisting developing countries and countries with economies in transition in securing affordable access to, and effective use and management of, core information resources, technology, systems and infrastructure in a broad range of sectors and applications. To that end, complementary to the steps already identified in the ministerial declaration, the following actions could be initiated or strengthened:

- Provide advisory services to developing countries in the formulation of FDI policies, with particular focus on ICT, and the establishment of sound productive and equitable investment regimes that are fully coordinated with all other national policies;
- Advise developing countries on overall investment codes and other legal and institutional frameworks that provide the guarantees and incentives offered to foreign investors in the ICT sector;
- Advise developing countries in the formulation of policies for the acquisition of ICT, and the creation of a legal, fiscal, and institutional frameworks, including an intellectual property

rights regime, which will facilitate the transfer of technology;

- Assist developing countries in the streamlining and strengthening of the mechanisms and administrative procedures for approving, monitoring, facilitating and promoting investments in the ICT sector;

- Provide advisory services on policies and strategies to develop and implement mechanisms, such as build-operate-transfer (BOT) arrangements, for attracting foreign investments in the ICT sector;

- Strengthen collaboration among organizations of the system, including at the country level, in computerization, networking, information management and software application and content development as well as in supporting country strategies for Internet development and ICT support;

- Establish a system-wide inventory of ICT and related activities that are being undertaken by United Nations entities and other forums;

- Promote capacity-building and innovative use of ICT as a special opportunity to overcome the development barriers of isolated and distant communities;

- Facilitate a swifter diffusion of technological innovations through technical assistance reducing the cost of communication services, promoting the development and consolidation of state-of-the-art national and regional communications infrastructure, upgrading the "capillarity" of information and communications networks, and substantially upgrading key functions such as applicability and interoperability;

- Promote the generation of reliable, standardized and up-to-date statistical information and indicators on the impact of ICT on development, and provide opportunities for sensitization and training in ICT for political and community leaders so as to strengthen the integration of ICT dimensions in national development planning processes; compile a composite index of ICT readiness of each country for the digital era, consisting of various parameters including access facilities, education and training facilities, networking of the society, networking policy, evolution of ownership and management models of network resources, evolution of appropriate business models, and degree of optimization of ICT costs;

- Serve as a forum for discussing regional initiatives to address various aspects of ICT development, and bringing together national Governments, business leaders, the media, representatives of consumer groups and international organizations, and for sharing good policy practices and experiences within the regions and raising public awareness of the opportunities and risks connected with ICT;

- Adopt a long-term approach to regional ICT development by strengthening the ICT dimension in all areas of work, in particular in regional priority areas, that addresses standard-setting requirements, legal frameworks, capacity-building activities, and management and maintenance of information resources and databases;

- Implement regional activities, such as joint projects, seminars, workshops and training of trainers, demonstration projects for policy makers and technicians on ICT;

- In cooperation with other partners, design special programmes for the less developed countries of the region (especially least developed countries, island economies and economies in transition), using bilateral, tripartite and other forms of cooperation as necessary, and focusing on development of technology capabilities and human resources development for the transfer, adaptation and use of ICT;

- Review capabilities of the organizations of the United Nations system in using ICT for development activities relevant to their mandates, and upgrade these capabilities as necessary in order to support national efforts to strengthen local ICT capabilities;

- Implement measures that enable the wealth of knowledge and experience within the United Nations system regarding the use of ICT for social and economic development to be systematized and disseminated in a much more vigorous way. A percentage of the resources for each project might be devoted to learning the

development lessons with respect to disseminating this knowledge;

- Create a digital divide web site: this web site would include all United Nations-related activities to bridge the digital divide and include links to activities of other entities such as non-governmental organizations and the private sector.

III. Promoting policy coherence, complementarity and cooperation*

48. While intergovernmental consensus on the appropriate goals of economic policy is relatively easy to achieve, consensus on the ranking of goals is more difficult to achieve partly because they may be mutually incompatible or inconsistent. Even more difficult is consensus on the policies most suitable to attaining the accepted goals. This is especially true of national economies at widely divergent levels of development, emerging from different historical backgrounds and interests. However, participation in an international trade and financial system and acceptance of its "rules of the game" may impose on the participating nations a common ranking of goals and appropriate policies. This was the case, for example, under the gold standard: countries that participated by declaring a fixed gold content for their standard monetary unit had to be prepared to convert that unit into gold on demand. If gold ran short, it had to be replenished by making exports more competitive and curtailing imports. Since this usually required a reduction in demand and output, falling prices and financial embarrassment, the goals of high levels of output and employment, high growth in per capita income and financial stability had to be sacrificed to the frequently conflicting goals required by the gold standard, namely, balanced trade and price stability.

49. Since it was widely believed that the failure to attain the goals of high employment and financial stability had been a major cause of the two World Wars that threatened the peace and political stability of the international system, the question of policy coherence, complementarity and coordination of economic, financial, trade and development issues was an important item of discussion in the formative years of the United Nations. Despite what had appeared to be an initial consensus, the international system that emerged from these discussions failed to provide a means of making divergent policy goals compatible and never succeeded in creating multilateral means for resolving the problems of the compatibility between the goals of developing countries and those of their more advanced partners. The re-emergence in the 1960s of the initial contradictions in goals and policies between the United States of America and Europe eventually led to the breakdown of the Bretton Woods system, and the failure to provide means of dealing with the frequently conflicting trade and financial interests of developed and developing countries eventually led to an extensive debt crisis in Latin America and "the lost decade" in which development came to a halt in many countries on the continent. While the institution of floating exchange rates was meant to allow countries to pursue diverse policy goals without prejudicing the decisions of others or producing systemic difficulties, this hope has not been confirmed as differences over policy coordination between the United States and Europe and between developed and developing countries have contributed to increasingly frequent and virulent financial crises. Some of the reasons for the failure to produce policy coherence, complementarity and coordination on economic, financial, trade and development issues in the framework of a stable international trade and financial system can thus be found in the initial post-war period of institution-building.

50. The major goal of the allied powers in the design of an international trade and financial system that would ensure peace and political stability was the elimination of discriminatory trade and business practices and unemployment. It was generally believed that these goals were mutually compatible since the full benefits of a liberal multilateral international trading regime could be achieved only if countries reached their productive potential by fully exploiting their available resources in conditions of a socially acceptable distribution of income. It was believed that multilateral trade arrangements would reduce the potential for political strife and that the free flow of goods, services and capital between countries would stimulate international competition and encourage specialization, leading to a more efficient allocation of world resources, higher productivity and thus higher income levels for all countries.

* Contributed by UNCTAD.

51. As a result, the Charter of the United Nations (Chapter IX, Article 55) called for "higher standards of living, full employment, and conditions of economic and social progress and development" as well as made arrangements for the specialized agencies to pursue these goals. In particular, discussion of this issue took place through two United Nations conferences. The United Nations Monetary and Financial Conference held in Bretton Woods produced not one, but two specialized agencies to deal with monetary and financial matters, the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD). The inherent interdependence of trade and employment is reflected in the purposes of IMF "to facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy" (article I:ii) and of IBRD "to promote the long-range balanced growth of international trade and the maintenance of equilibrium in balances of payments by encouraging international investment for the development of the productive resources of members, thereby assisting in raising productivity, the standard of living and conditions of labour in their territories" (article I:iii).

52. In particular, IMF was called upon to reconstitute the system of free multilateral payments for trade in goods and services (article I:iv) and to promote exchange-rate stability (article I:iii). Since it was going be difficult for the war-torn European countries and less developed countries to participate on an equal basis in the new multilateral international trading and financial system, IBRD was called upon "to assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes, including the restoration of economies destroyed or disrupted by war, the reconversion of productive facilities to peacetime needs and the encouragement of the development of productive facilities and resources in less developed countries" (article I:i).

53. The second United Nations Conference on Trade and Employment held in Havana was to deal with the restoration of non-discriminatory multilateral trade through the creation of a third specialized agency, the International Trade Organization (ITO). Originally proposed by the United States in conjunction with the United Kingdom of Great Britain and Northern Ireland, ITO was to ensure policy coherence, complementarity and coordination on economic, financial, trade and development issues. As a result, the Havana Charter contained separate chapters dealing with "Employment and economic activity" as a prerequisite of the equitable distribution of the benefits of freer trade, "Economic development and reconstruction" to ensure that developing countries could fully participate in these benefits, "Commercial policy" and "Restrictive business practices" to ensure that trade was not distorted by local peculiarities, and "Intergovernmental commodity agreements" to provide means to stabilize demand by stabilizing commodity prices and providing more certain export earnings for developing countries seeking to industrialize.

54. The open multilateral trading regime that was proposed by the United States Government as the framework for post-war reconstruction did not contemplate the elimination of all barriers to trade, but rather the elimination of discriminatory bilateral agreements through the application of unconditional most-favoured treatment that would automatically extend trade bilateral concessions to all trading partners irrespective of whether they were reciprocated. The proposal thus required a rule-based apparatus to ensure the general application of agreements to reduce trade restrictions through intergovernmental negotiations. This rule-based apparatus was included in the Havana Charter for ITO under the title of "General agreements on tariffs and trade".[8]

55. While it was generally accepted that competition under free trade does have a positive impact in encouraging efficient, and discouraging inefficient, processes of production, and that the free flow of capital goods between countries results in the expansion of productive capacity of the importing countries and a more efficient allocation of the world's investment resources thereby raising the level of productivity, the argument was not extended to the free flow of financial capital used for the acquisition of existing property, securities and other financial instruments since such flows have no direct influence on the distribution of real investment resources and merely effect the transfer of ownership of the existing wealth and productive resources in the recipient country to the exporters of financial capital.

56. While the efficient allocation of resources under conditions of free international competition may be a necessary condition for maximizing production, it does not always produce the most efficient allocation of resources from the point of view of social welfare. Efficient allocation in a free market means that the pattern of investment and production is such as to satisfy consumer demand; but this is in turn determined by the power and preferences of consumers so that those with higher incomes or wealth will exert a considerably greater influence on the pattern of production than the poor. The free operation of market forces may thus favour the efficient production or import of luxury goods over that of social goods for low-income groups, and allow expensive shops to flourish in preference to schools, hospitals, public parks and so forth. For this reason the distribution of income was an integral part of the post-war discussion of the distribution of the full benefits of freer trade.

57. Furthermore, maximizing total output is a question not simply of achieving efficient resource allocation, that is to say, of maximizing the productivity of factors of production employed, but also of determining the levels of utilization of the factors available. The full benefits of the increased international competition and the allocative efficiency associated with freer trade on total output thus also require full utilization of factors. Since it is quite possible that increased competition may actually reduce the level of employment of labour and equipment and thereby reduce total output despite increases in productivity of factors that remain in employment, policies to ensure full employment must also be an integral part of a free multilateral trading system.

58. The proposed trade organization thus made provision for global surveillance of national economic policies by the United Nations Secretariat to ensure that generalized reductions in restrictions to trade based on unconditional most-favoured-nation principles were compatible with policies to produce full employment. In particular, the discussions on the ITO Charter noted that a country that maintained full employment at home, developing its economic resources and raising its standard of productivity and maintaining fair labour standards, might exercise deflationary pressure upon other countries if it persistently exported more than it bought from and invested abroad. Indeed, an export surplus may be a means of maintaining domestic full employment at the expense of employment in other countries. By the same token, not only may inappropriate domestic policies cause an unfavourable payments balance, but also the failure of surplus countries to spend their external purchasing power on imports or to utilize their surplus resources for productive investment abroad. Thus policy surveillance and coordination were necessary to ensure that when there was a fundamental disequilibrium involving a surplus in one country's balance of payments and persistent balance-of-payments deficits in other countries that compromised their ability to maintain employment, the surplus country should be compelled to contribute to the policy actions designed to correct the maladjustment. The particular measures that should be adopted (the stimulation of imports or the removal of special encouragements to exports, an appreciation of the country's exchange rate, an upward revision of its internal price and cost structure, an increase in foreign investment and so forth) were to be left to the Government concerned to determine. The provisions of the "general agreements" were to be designed to accommodate such adjustment policies so as to ensure the fullest benefits of free trade.

59. In the absence of policies to ensure full employment and an equitable distribution of income, it was acknowledged that the objective of encouraging the free operation of market forces in international trade could lead to an inappropriate social allocation of resources and to a lower level of production. Thus, for many countries, the disadvantages of the free trade system could be considerably greater than the benefits of efficiency derived from it, this being dependent on their particular economic and political conditions. This was particularly true of developing countries, whose participation in the multilateral trading system was nonetheless recognized as essential to achieving its full potential. It was thus generally accepted that these countries would need special treatment, including special trading advantages and exemptions from the commitments to the general agreements, to allow them to reach levels of industrialization enabling them to participate on an equal basis with the more developed countries. The "general agreements" would thus have to be sufficiently flexible to provide for these exceptions. In particular, these would extend to differences across countries in labour practices, protection of scarce natural resources, and environmental conditions. It was clearly recognized

that objectives would differ on these issues, for example, between developed and developing countries, and that steps would have to be taken to coordinate policies in these areas. Since industrialization by developing countries, inter alia, to diversify their exports implies increased competition and the loss of exports and employment for developed-country producers, active employment policies in the latter are also a necessary counterpart to the full extension of trade.

60. Furthermore, since trade restrictions may be closely connected with restrictions on current-account transactions, policy coordination with IMF was foreseen as an integral part of ITO.

61. The approach taken in the early United Nations discussions recognized that trade liberalization had to be integrated with domestic economic policies as well as with discussion of suitable social policies such as income distribution, defence of the environment, appropriate labour standards and so forth within the context of an economy's level of development. However, only the "general agreements" were adopted and the full Charter for ITO was never ratified by its original proponents, the United States and the United Kingdom. While UNCTAD was eventually created later, not as a specialized agency, but as an extension of the General Assembly so as to provide a negotiating forum for issues directly related to the interests of developing countries, the more general questions relating to policy coherence, complementarity and coordination have not been taken up by the specialized agencies despite responsibilities in this direction entrusted them in their Articles of Agreement and the power given to the United Nations in Article 58 of its Charter to "make recommendations for the coordination of the policies and activities of the specialized agencies". With the advent of globalization, means of dealing directly with policy coherence, complementarity and coordination would seem more necessary than ever.[9]

62. For example, as international capital markets become more integrated and financial deregulation and liberalization facilitate the movement of funds seeking to eliminate market pricing imperfections or to achieve the highest available returns on a global basis, monetary policy in the major developed countries exerts an increasingly strong influence on capital market conditions in the rest of the world because the markets in these countries are larger, more highly developed and more sophisticated. This was already in evidence at a regional level in the 1980s debt crisis when the increase in real interest rates and an appreciating dollar resulting from the need dictated by domestic policy to eliminate inflation in the United States caused widespread defaults in Latin America. In 1994, a rise in United States interest rates once again dictated by domestic concerns produced a global bond-market collapse. It is increasingly the case that such concerns in one major country may lead to actions having global repercussions and affecting the cost of borrowing in other countries that may be facing radically different conditions. Since the increased integration of money and capital markets is taking place in conditions of continued diversity in domestic cyclic and structural conditions and in the consequent policy requirements, the potential for conflict over goals and policies has become greater.

63. This lack of a multilateral framework for policy coordination also produces an asymmetry in treatment of nations at different levels of development or at different stages in the economic cycle which has been present since the initial discussions of tariff reductions under the "general agreements". Since the predominant exports of developing countries, natural resources, were subject to relatively low levels of protection, generalized tariff reductions applied by all countries provided greater relative benefits to developed countries whose exports were more highly protected manufactured goods. Similar asymmetries apply to generalized policies applied to high-technology goods and intellectual property rights owing to their different incidence among countries. Moreover, developed countries continue to protect sectors considered strategic such as agriculture or other socially sensitive areas of economic activity, while developing countries are asked to provide rapid introduction of liberalization of trade in manufactured goods.

64. Asymmetry also applies in the area of finance. In the recent Asian financial crisis, the difficulties arose from the rapid and unpredictable reversal of capital inflows intermediated by domestic financial institutions for on-lending to domestic producers. The resulting increases in the risk in the balance sheets of firms and financial institutions led to widespread financial failure. Many of the ensuing reforms of financial markets and corporate governance have been imposed on the countries in question from outside with disregard for their political processes and arrangements

for achieving consensus. On the other hand, despite increasingly frequent calls for private sector participation in crisis management in the countries that were the source of the capital flows, there has been little action in support of increased surveillance of their financial institutions or other measures to raise their participation in meeting costs for which they bear a share of the responsibility.

65. The Asian crisis thus added a new dimension to asymmetry. In the early post-war period, developing countries were substantial borrowers from multilateral lending agencies and other lenders. For most of this period, negative balance-of-payments positions were usually associated with borrowing to finance consumption or other unproductive expenditure as well as with developments in international markets unfavourably affecting prices in their external trade and their cost of external borrowing, and these internal weaknesses furnished the rationale of the conditionality associated with IMF support and debt restructuring. However, this was not accompanied by surveillance of the policy actions of surplus and other countries whose policies were capable of affecting conditions in international markets and that were the source of developing countries' external borrowing and other categories of capital inflow. In Asia, by contrast, before the crisis, savings rates and growth had been extremely high even in countries with external payments deficits, and the crisis posed a threat to global macroeconomic stability. Yet, in this case, too, the international policy response has focused almost entirely on adjustment in the debtor countries and failed to come to grips with weaknesses in policy regimes in other countries that also contribute to financial crises.

Notes

[1] To be issued in *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 3* (A/55/3/Rev.1), chap. III, para. 17.

[2] Accessed at the following web site: http://www.library.utoronto.ca/g7/summit/2000okinawa/gis.htm.

[3] A detailed description of ICT for development activities of a number of United Nations entities is contained in E/2000/CRP.2.

[4] *Report of the United Nations Conference on Human Settlements (Habitat II), Istanbul, 3-14 June 1996* (United Nations publication, Sales No. E.97.IV.6), chap. I, resolution 1, annex II.

[5] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992*, vol. I, *Resolutions Adopted by the Conference* (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex II.

[6] For the reports of the regional commissions to the Economic and Social Council on this topic, see documents E/2000/70 to E/2000/74.

[7] Accessed at http://www.eclac.org/English/topics/florianopolis.htm.

[8] See E/CONF.2/78 (United Nations publication, Sales No. E.48.II.D.4).

[9] Paragraph 1 of the World Trade Organization, Trade Negotiations Committee, Ministerial Declaration on the Contribution of the World Trade Organization to Achieving Greater Coherence in Global Economic Policymaking, December 1993, recognizes that "the globalization of the world economy has led to ever-growing interactions between the economic policies pursued by individual countries, including interactions between the structural, macroeconomic, trade, financial and development aspects of economic policy-making", but paragraph 4 notes that "difficulties the origin of which lie outside the trade field cannot be redressed through measures taken in the field of trade alone". However, the Declaration does not go beyond a general statement of selected problems under the heading of policy coherence and does not call for an institution to fill this void left by the failure to adopt the ITO Charter. Neither does it recognize the increased asymmetry created by the lack of such a body to encourage policy coherence and cooperation (discussed further below).